



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, OCTOBER 18, 2005  
WWW.USDOJ.GOV

AT  
(202) 514-2007  
TDD (202) 514-1888

## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN CAL DIVE INTERNATIONAL'S ACQUISITION OF STOLT OFFSHORE**

### ***Divestiture of Assets Will Preserve Competition for Saturation Diving Services in the United States Gulf of Mexico***

WASHINGTON, D.C. -- The Department of Justice announced today that it will require Cal Dive International Inc. to divest certain diving assets in order to proceed with its acquisition of assets from Stolt Offshore Inc. and S&H Diving LLC. The Department said that the transaction, as originally proposed, would have resulted in increased prices and diminished services for saturation diving services in the United States Gulf of Mexico.

The Department's Antitrust Division filed a civil lawsuit today in the U.S. District Court in Washington, D.C. to challenge the transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"Providers of saturation diving services play a key role in offshore oil and gas development and production. These services are of particular importance in the wake of the recent hurricanes because of the critical need to inspect and repair subsea oil and gas production equipment," said Thomas O. Barnett, Acting Assistant Attorney General for the Department's Antitrust Division. "The divestitures required by the Department will ensure that competition for saturation diving services is preserved."

Saturation diving services in the United States Gulf of Mexico are used for subsea construction projects, for inspection, maintenance and repair services, and for recovery and salvage after structures are damaged by weather or accident. By living in air-tight chambers aboard diving vessels in which the air pressure is equivalent to the pressure at the subsea work site, saturation divers work for prolonged periods and at deeper depths than surface divers.

According to the complaint, Cal Dive and Stolt are two of only three major providers of saturation diving services in the United States Gulf of Mexico. The proposed transaction would have eliminated Stolt as a competitor and given Cal Dive more than half of the capacity in the market. Under the terms of the proposed consent decree, Cal Dive must divest two vessels and a separate saturation diving system.

Cal Dive International, headquartered in Houston, provides a full range of marine contracting services, including marine construction, robotic services, manned diving, and decommissioning services, in both shallow and deep water. Cal Dive is the largest provider of diving services in the United States Gulf of Mexico. Cal Dive's total revenues in 2004 exceeded \$540 million, including more than \$45 million for saturation diving services in the United States Gulf of Mexico.

Stolt Offshore Inc., is also headquartered in Houston. S&H Diving LLC is a Louisiana limited liability company with offices in Houston. Stolt Offshore S.A., the parent of both Stolt Offshore Inc. and S&H Diving LLC, is a major international marine contractor registered in Luxembourg, with 2004 revenues in excess of \$1.2 billion worldwide. In the United States Gulf of Mexico, Stolt offers construction and installation engineering services for conventional pipelines; subsea tiebacks; heavy lift salvage; and subsea inspection, maintenance and repair

services. In 2004, Stolt had revenues in excess of \$30 million from saturation diving services in the United States Gulf of Mexico.

As required by the Tunney Act, the proposed settlement and the Department's competitive impact statement will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Donna N. Kooperstein, Chief, Transportation, Energy & Agriculture Section, Antitrust Division, United States Department of Justice, 325 7th Street N.W., Suite 500, Washington, D.C. 20530 (telephone: 202-307-3278). At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed consent decree upon finding that it is in the public interest.

###

05-552